

DRAFT RHNA Pilot Program Language – SCAG Region
For CEHD and RC Review and Action
July 6, 2006

Section 65584.01(e) is added to the Government Code, to read:

65584.01 (e) Notwithstanding the provisions of Government Code sections 65584.01 (a)-(d) and 65584.04(b) and (h), relating to the regional housing needs process, the Southern California Association of Governments, hereinafter referred to as SCAG, shall prepare the fourth revision of the Housing Element Regional Housing Needs Assessment in accordance with the following:

- (1) Develop integrated long-term growth forecasts by 5 year increments.
- (2) The forecasts shall include three major variables: population, employment, and households by geographic area throughout the region.
- (3) SCAG shall convert households into housing units using replacement rates from the Department of Finance “DOF”, and county level vacancy rates from the most recent Census, by weighing vacancy rates of for-sale and for-rent units.
- (4) The methodology and allocation process shall follow the Regional Transportation Plan “RTP” Growth Forecasting Process and other strategies adopted by SCAG to integrate housing planning with projected population growth and transportation.
- (5) SCAG shall consider the following factors early in the growth forecasting process:
 - (A) Each member jurisdiction's existing and projected jobs and housing relationship.
 - (B) The opportunities and constraints to develop additional housing in each member jurisdiction, including all of the following:
 - (i) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.
 - (ii) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased

1 residential densities. The council of governments may not limit its
2 consideration of suitable housing sites or land suitable for urban
3 development to existing zoning ordinances and land use restrictions of a locality,
4 but shall consider the potential for increased residential development under
5 alternative zoning ordinances and land use restrictions.

6 (C) The distribution of household growth assumed for purposes of a
7 comparable period of regional transportation plans and opportunities
8 to maximize the use of public transportation and existing
9 transportation infrastructure.

10 (D) Agreements between a county and cities in a county to direct
11 growth toward incorporated areas of the county.

12 (E) Any other factors adopted by the council of governments.

13 (6) SCAG shall conduct a minimum of fourteen public workshops, which shall include at
14 least one for each subregion. The objective of the workshop shall include but not be
15 limited to the solicitation of information regarding the above factors.

16 (7) SCAG shall approve the forecasts, and transmit to the State Housing and Community
17 Development Department "HCD" at the regional level the following variables:
18 population, households, employment and housing units.

19 (8) The HCD shall certify the SCAG growth forecast. If the difference between SCAG's
20 population projection and the one projected by the DOF is over 4 percent, the HCD
21 may convene a Panel consisting of representatives from Department of Finance (DOF),
22 Employment Development Department (EDD), Caltrans and a representative of another
23 Council Of Government (COG) to review the assumptions and methodology of the
24 forecast and to recommend to HCD whether or not the household forecasts and
25 assumptions are consistent with this section or require modifications.

26 (9) Upon review of the recommendations of the Panel and consultation with SCAG, HCD
27 shall either certify the SCAG forecast, or shall certify the forecast determined by the
28 Panel, or shall propose an alternative regional housing need with a written explanation
29 for its proposal to the Panel. If HCD proposes an alternative regional housing need that
30 is not acceptable to SCAG, the parties shall abide by the determination of the Panel.

- 1 (10) SCAG shall follow the Regional Transportation Plan (RTP) Growth Forecasting
2 process and complete the Housing Need Allocation Plan twelve (12) months from the
3 date that HCD sends notice of the certification of the SCAG forecasts.
- 4 (11) SCAG shall appoint and work with appropriate subcommittees and technical advisory
5 committees to establish a public review process on various policy issues that will
6 determine key methodologies required to complete the Regional Housing Allocation
7 Plan. In addition to the factors listed in Government Code Section 65584.01 (e)(5)(A)
8 thru (E), SCAG shall also consider the following:
- 9 (A) Appropriate factors in determining housing unit allocation by local
10 jurisdiction,
 - 11 (B) Appropriate factors in determining housing unit allocation by income,
 - 12 (C) Appropriate level of resources for producing low-income housing,
 - 13 (D) Appropriate level of incentives or regulatory relief for land use strategies and
14 designations consistent with the regional growth forecast
- 15 (11.01) Upon release for public review of the draft Regional Housing Allocation Plan, a
16 jurisdiction may proceed to appeal the allocation of housing pursuant to Government
17 Code Section 65584.05(b) through (i), except that no jurisdiction may appeal any
18 adjustment or adjustments made by the council of government or delegate subregion
19 made as a result of disposition of an appeal pursuant to this section.
- 20 (12) SCAG shall approve the final Housing Need Allocation Plan with findings that the
21 Plan is consistent with the objectives of this section and with the Regional
22 Transportation Plan, and that the distribution of housing allocation will not significantly
23 impact mobility and air quality.
- 24 (13) SCAG shall delegate development of the Housing Need Allocation Plan to the
25 subregional entities, provided that subregional entities agree to maintain the subregional
26 total of housing need throughout the process.
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